



## CITY OF DURHAM | NORTH CAROLINA

**Date:** July 7, 2015  
**To:** Thomas J. Bonfield, City Manager  
**Through:** W. Bowman Ferguson, Deputy City Manager  
**From:** Jina B. Propst, Assistant Director, General Services Department  
  
**Subject:** Lease to the Museum of Durham History at 521 W. Morgan Street, Durham, NC (Parcel #103112)

### Executive Summary

The Museum of Durham History ("Museum") has operated an exhibit space and education center celebrating Durham's past and present at the former downtown Durham bus transfer station ("Station") for the past three years. The current lease expired on April 14, 2015.

Staff has been negotiating lease terms and revisions to lease language with Museum personnel during the past several months. The proposed lease is for an additional three-year term beginning April 15, 2015 and expiring on April 14, 2018. The proposed lease additionally provides the Museum with two one-year Options to renew or extend its tenancy with approval by the City Manager. Annual rent for the period of April 15, 2015 to April 14, 2016 will be paid upon execution of the proposed lease.

During the term of the lease, the City will maintain the roof and exterior walls, and the Museum will be responsible for all windows, mechanical, interior maintenance and repairs.

The Museum's previous lease provided for an annual rental rate of \$1,800.00. The proposed annual lease rate is \$2,000.00.

### Recommendation

The General Services Department recommends that City Council authorize the City Manager to execute the Lease with the Museum of Durham History located at 521 W. Morgan Street.

### Background

The Station was constructed in 1997 for use by patrons of the Durham Area Transit Authority and Triangle Transit Authority bus systems. Bus passenger operations at the Station were ceased with the opening of the new Durham Station in February, 2009. The Station was subsequently used as a construction staging area for construction along West Main Street from March, 2009 until November, 2010. The Station remained vacant until its occupancy by the Museum in April, 2012.

The Museum is a North Carolina nonprofit corporation organized by Durham residents for educational purposes. The Museum raises and uses its own funds for the operation and maintenance of the facility.

The proposed lease's commencement date will be April 15, 2015. Staff has been negotiating lease terms and revisions to lease language in the past several months. Annual rent for the period of April 15, 2015 to April 14, 2016 will be paid upon execution of the proposed lease.

**Issues and Analysis**

- The Museum will pay rent and utilize the Station to continue offering the community a public place to take a glimpse of stories and literature that have brought Durham's history to life.
- The proposed lease is for a term of three years. Dependent on unknown future factors in downtown Durham, the City may choose to allow the Museum to extend its tenancy for two additional one-year terms.

**Alternatives**

City Council could decide not to approve the proposed lease. This alternative is not recommended because: 1) if the City does not permit the Museum's tenancy to continue at this location, the City will lose revenue of \$6,000.00 over a three year period, and 2) the Museum would have to relocate its operations. Doing so would potentially affect the public's ability to read and view stories about people, places, and things that promote understanding of Durham's history.

**Financial Impact**

Revenue to the City from the proposed lease over a three year period would generate \$6,000.00.

**SDBE Summary**

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachment: Lease Agreement, Aerial View of Site